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# The Government of Canada and the small business

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Canada



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Canadian Unity  
Information Office

Centre d'information  
sur l'unité canadienne

# Government reorganization

In January, 1982, the Government of Canada announced plans to increase the federal capacity to assist Canadians in all regions to take better advantage of major economic and employment opportunities.

This involves an extensive reorganization of federal departments and agencies to provide a government-wide focus on regional economic development and the promotion of export trade.

For example, parts of the departments of Industry, Trade and Commerce and Regional Economic Expansion joined forces as the first step in creating a new Department of Regional Industrial Expansion.

All federal government export trade programs and the Trade Commissioner Service and its operations abroad are now the responsibility of the Department of External Affairs.

All of the programs and services described in this booklet continue to be available to Canadians. The addresses and telephone numbers of some departments and agencies may change following publication. Please consult your local telephone directory for Government of Canada listings.

# **The Government of Canada and the small business**

*The Government of Canada offers a wide variety of programs designed to serve all Canadians. This booklet describes some of those intended especially for managers and owners of small businesses. It is published by the Canadian government, with a special contribution from the Small Business Secretariat, Department of Regional Industrial Expansion.*

*This is one of a series of booklets on federal programs and services. To obtain others in the series, please refer to the listing and order form at the back of this publication.*

Note: This publication is also available in French

Note: Cette brochure est également disponible en français



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# The small business

As the owner of a small business, you play an important role in Canada's economic life. You're a member of a community that generates approximately 30 per cent of the value of all goods and services produced in this country.

In recognition of this importance, the Government of Canada is committed to assisting small businesses, a commitment that was reaffirmed when a **Minister of State for Small Business** was appointed in September 1976 (now Minister of State, Small Business and Tourism).

Since then the government has demonstrated its commitment to small business in practical ways such as:

- the introduction of income tax measures which are benefiting small business by more than \$2 billion annually
- responding to complaints from individual entrepreneurs and business associations by reducing paperburden to the business community by more than \$300 million annually
- increasing the opportunities for Canadian suppliers, especially small businesses, to obtain subcontracts from **Department of Supply and Services Canada** prime contractors.

The **Department of Regional Industrial Expansion (DRIE)**, through its regional offices and the **Small Business Secretariat**, maintains continuous contacts with the small business community and is a valuable source of information to the ministers' offices, the department and other interested federal departments or groups.

The channels of communication are always open through the **Operations and Liaison Directorate** of the Small Business Secretariat. It is the focal point for the



receipt of verbal or written complaints and recommendations affecting small businesses.

If you require help with a particular problem, be it paperwork, red tape, regulations or any other aspect of government activities, contact:

Small Business Secretariat  
Regional Industrial Expansion  
235 Queen Street  
Ottawa, Ontario  
K1A 0H5

or call collect: (613) 995-9197.

You may, of course, benefit from the wide variety of programs and services that the federal government extends to all businesses. These range from helping firms with management counselling to promoting sales abroad.

However, the Canadian government also provides services designed to meet your particular needs at every stage of development. These services, geared to the special requirements of small businesses, are the main subject of this brochure.

Since the brochure is not exhaustive, you may wish to contact the appropriate department or agency for more details.



# Getting started

## Raising funds

When you're getting started, financing is most likely to be your main concern. Although the commercial banks are a primary source of capital, some firms have trouble borrowing from them. For these firms the Canadian government provides special assistance.

The **Federal Business Development Bank (FBDB)**, a Crown corporation with more than 80 branches across Canada, extends financial assistance to new or existing businesses that cannot obtain financing at reasonable terms and conditions from other sources.

Financing is available through loans, loan guarantees or equity financing. The latter is particularly important if you are in situations of start-up or of high risk in a venture with high growth potential. Under this kind of arrangement, the FBDB either assumes a minority ownership in your firm by purchasing shares, which you may later redeem, or acts as a catalyst to obtain financing for you from other financial institutions.



The FBDB and its predecessor, the Industrial Development Bank, have lent more than \$6 billion to small firms since 1944. At the end of the 1982/83 fiscal year, the FBDB had loans worth \$1.9 billion out to about 31,000 small businesses in all regions of the country. Consult your telephone directory for the FBDB branch nearest you, or contact one of the following:

**Head Office**

6th Floor  
901 Victoria Square  
Montreal, Quebec  
H2Z 1R1  
Tel.: (514) 283-5904

**Atlantic Regional Office**

Cogswell Tower, Suite 1400  
Scotia Square  
P.O. Box 1656  
Halifax, Nova Scotia  
B3J 2Z7  
Tel.: (902) 426-7860

**Quebec Regional Office**

800 Victoria Square  
Suite 4600  
P.O. Box 190  
Montreal, Quebec  
H4Z 1C8  
Tel.: (514) 283-3657

**Ontario Regional Office**

250 University Avenue  
Toronto, Ontario  
M5H 3E5  
Tel.: (416) 593-1144



### **Prairie and Northern Regional Office**

300 - 161 Portage Avenue

Winnipeg, Manitoba

R3B 0Y4

Tel.: (204) 943-8581

### **B.C. and Yukon Regional Office**

900 West Hastings Street

Vancouver, British Columbia

V6C 1E7

Tel.: (604) 687-1300

Another source of financial assistance is provided by the *Small Businesses Loans Act (SBLA)*. Under the act, the government guarantees loans made by commercial banks and other private-sector institutions to existing small businesses as well as for start-ups and expansions. With this guarantee, lenders are encouraged to make funds available to small businesses which they might otherwise consider too risky. The interest rate is set at one per cent over the prime lending rates of the chartered banks and floats for the duration of the loan.

Loans are generally used to buy equipment, buildings or land, or to improve existing premises. In 1982 approximately \$444 million was lent to small firms under this act. For more information, consult the nearest office of the Department of Regional Industrial Expansion (addresses on page 19 ) or the Small Business Secretariat (page 2).

There is also the **Farmers and Small Business Bond Program**, which used to be known simply as the Small Business Bond Program. It provides for low-interest loans to incorporated and unincorporated farmers and small companies by way of a tax exemption to financial institutions that make the loans.

To qualify, an applicant for a loan must meet the normal commercial criteria of the bank or lending institution.

Since this program was introduced two years ago to help businesses in financial trouble, there have been more than 2,600 loans worth more than \$500 million. Farmers accounted for over half of the total value of loans.

## Finding good people

Another major concern you may have is finding employees with the required skills. To help you, more than 450 **Canada Employment Centres** are at your service across the country. The **National Job Bank**, a nation-wide telephone/computer hookup for the rapid matching of workers and jobs, is available to:

- give your job order nation-wide exposure if qualified workers cannot be found locally
- put you in touch with more workers, faster
- help ensure that you have the workers you need when you need them.

For more information, contact your nearest Canada Employment Centre.



# Now you're operating

## Money again

Once you are in business, you will want to know about federal tax measures geared to small business. To find out how they affect you, talk with your nearest regional director of customs and excise or district office of taxation. More information on small business and the tax system may be found on page 29.

## Energy, technology and research

Federal money is available to help small businesses improve their technology, engage in research and development, and cut costs through more efficient use of energy.

The **National Research Council (NRC)** and other federal agencies spend more than \$1 billion a year on research, and the results are often of direct value to business and industry.

NRC administers the **Program for Industry/Laboratory Projects (PILP)** to help Canadian firms take advantage of technology and scientific knowledge within government laboratories.

PILP, with a budget of \$23.3 million for fiscal 1983/84, can support projects from the conceptual stage through to the development of prototypes or pilot plants. Companies that receive assistance are expected to exploit the new technology to the economic and social benefit of Canada.

Another service administered by NRC is the **Industrial Research Assistance Program (IRAP)**, designed to encourage research and development and increase the use of science and technology. The 1983/84 budget for IRAP was \$46.3 million, of which approximately \$30 million was earmarked for small business.

Provincial research organizations work with NRC field staff to ensure nation-wide delivery of services.

There are six elements of IRAP, which offer:

- advice, guidance and assistance on industrial technology and government programs
- advice and assistance in locating, interpreting and adapting existing technology
- assistance in tackling industrial problems through short-term support for employment of undergraduate students
- assistance with short-term studies or tests
- assistance for small research and development projects through support of the salaries of researchers
- assistance for longer term, higher risk projects through support of the salaries of researchers.

For more information on PILP and IRAP, write:

Program for Industry/Laboratory Projects (PILP)  
National Research Council of Canada  
Montreal Road  
Ottawa, Canada  
K1A 0R6  
Tel.: (613) 993-0357

Industrial Research Assistance Program (IRAP)  
National Research Council of Canada  
Montreal Road  
Ottawa, Canada  
K1A 0R6  
Tel.: (613) 993-0331

Several support programs, including the **Defence Industry Productivity Program (DIPP)**, are operated by the Department of Regional Industrial Expansion. As well, a number of major programs have been incorporated into the recently established **Industrial and Regional Development Program (IRDP)**. This program is not only flexible and regionally sensitive, but provides much more accessibility for the business community than was previ-



ously the case. One common set of regulations and a simplified application mechanism replace the variety that existed before. Further information can be obtained from DRIE regional offices listed on page 19.

The **Department of Energy, Mines and Resources**, with provincial co-operation, offers free to companies and institutions a multi-faceted energy management and energy conservation program that can improve their energy-use efficiency and reduce, sometimes spectacularly, expenditures for fuel and electricity.

An **Energy Audit Vehicle**, popularly known as the Energy Bus, equipped with mini-computers and energy measuring instruments, is an important element of the **National Energy Audit Program (NEAP)**.

The Energy Bus is available on request for energy audits on industrial, commercial and institutional buildings. It is staffed by a team of energy specialists trained to assist in:

- increasing awareness of energy waste
- identifying opportunities to conserve energy
- reducing energy costs.

**NEAP consulting assistance grants** can be provided to assist firms in planning and implementing projects offering significant energy savings. The grant will generally be the lesser of either 90 per cent of the total consultant's fee or a specified amount based on a formula related to the client's energy bill. Federally, provincially or municipally owned buildings and facilities are not eligible for grants.

**NEAP seminars and workshops**, tailored to the specific needs of a group or region, can be provided for middle management and technical staff responsible for energy efficiency improvements. These sessions focus on energy conservation technology and techniques, improving productivity, developing a contingency plan, measuring energy performance, the economics of energy-related investments and employee motivation. For further information contact:

**Newfoundland-Labrador**

Department of Mines and Energy  
P.O. Box 4750  
St. John's, Newfoundland  
A1C 5T7  
Tel.: (709) 737-2305

**Prince Edward Island**

Ener\$ave for Industry and Commerce  
P.O. Box 937  
Charlottetown, P.E.I.  
C1A 7M4  
Tel.: (902) 892-0166

**Nova Scotia**

Department of Mines and Energy  
P.O. Box 668  
Halifax, Nova Scotia  
B3J 2T3  
Tel.: (902) 424-3203

**New Brunswick**

Research and Productivity Council  
P.O. Box 6000  
Fredericton, New Brunswick  
E3B 5H1  
Tel.: (506) 455-8994

**Quebec**

Bureau des économies d'énergie  
Ministère de l'Énergie et des Ressources  
Room 600  
425 Viger Avenue West  
Montreal, Quebec  
H2Z 1W9  
Tel.: (514) 873-5463



**Manitoba**

Conservation and Renewable Energy Branch  
Department of Energy and Mines  
500 Portage Avenue  
Winnipeg, Manitoba  
R3C 0E9  
Tel.: (204) 944-4154  
Toll free 1-800-282-8069

**Saskatchewan**

Energy Audit Program  
Saskatchewan Power Corporation  
2025 Victoria Avenue  
Regina, Saskatchewan  
S4P 0S1  
Tel.: (306) 566-3405

**British Columbia**

Ministry of Energy, Mines and  
Petroleum Resources  
20th Floor  
1177 West Hastings Street  
Vancouver, British Columbia  
V6E 2L7  
Tel.: (604) 689-1831

For further federal government information write to:  
Energy Conservation and Oil Substitution Branch  
Energy, Mines and Resources Canada  
580 Booth Street  
Ottawa, Ontario  
K1A 0E4  
Tel.: (613) 995-9447

(Note: Ontario and Alberta operate their own Energy Bus programs. For information, contact the appropriate provincial energy department).

## You and your staff

After you have found your staff, the Canada Employment Centres can help set up training programs for them. Reimbursement for direct training costs and trainee wages is available through the **National Industrial Training Program**.

The CECs can also provide you with current facts and figures on the job market, and help you plan future staff needs and cope with change.

## New skills and talents

If your business employs new processes or scientific or technical break-throughs, you may be able to hire young staff members under **Youth Career-Access**, a component of the Career-Access Program.

It offers young people, qualified in technical skills, the opportunity to use their talents to advance new technology. Youth Career-Access is designed to provide jobs for unemployed or under-employed post-secondary graduates trained in scientific and technical fields.

Private-sector firms, individuals, associations, research institutes and community organizations creating additional employment in approved activities are eligible for a contribution of up to 85 per cent of wages paid for up to 12 months.

For details, get in touch with your nearest Canada Employment Centre.

# Getting the facts

There is a wealth of information available to the owners and managers of small business concerns in Canada, and it's important to know how to obtain it.

Three primary sources of information are as follows:

- **Business Information Centres** are located in all provinces, and are described in more detail in this chapter.
- **Assistance to Business in Canada (ABC)** is a comprehensive directory, or catalogue, of federal government programs, incentives and services available to business and industry in Canada. It is available from the nearest branch of the Federal Business Development Bank or:





Federal Business Development Bank  
Head Office  
901 Victoria Square  
Montreal, Quebec  
H2Z 1R1  
Tel.: (514) 283-5904

- Brochures, booklets and pamphlets are available from individual government departments and agencies, describing in more detail the services they provide.

At each branch of the Federal Business Development Bank, the **Small Business Information Service (SBIS)** provides up-to-date information for business about government programs including information from Statistics Canada, trade associations, and other public and private sources. FBDB also publishes a pocketbook series entitled *Minding Your Own Business*, which covers a variety of business-related topics, and it issues a quarterly tabloid entitled *Profit\$*, mailed to all businesses in Canada without charge.

## Statistics and how to use them

As the nation's central statistical agency, **Statistics Canada** provides a wide range of data that can help you to establish a business or to make ongoing management, financial and marketing decisions. Statistics Canada's information is available in a variety of formats: publications, microfilm, microfiche, computer tapes and disks. The agency can also provide custom tabulations.

Statistics Canada maintains 10 **Reference Centres** across the country with copies of all current Statistics Canada publications. Professional staff are available to help you to locate, interpret and use data and to give business-oriented seminars. In addition, staff can arrange access to CANSIM, the agency's computer data base. Statistics Canada provides some services on a cost-recovery basis.

Addresses and telephone numbers, including toll-free numbers for the Regional Reference Centres of Statistics Canada are as follows:

**St. John's**

3rd Floor, Viking Building  
Crosbie Road  
St. John's, Newfoundland  
A1B 3P2  
Tel.: 722-4073  
Toll free: Zenith 07037

**Halifax**

Sir John Thompson Building  
1256 Barrington Street  
Halifax, Nova Scotia  
B3J 1Y6  
Tel.: 426-5331  
Toll free: 1-800-565-7192

**Montreal**

10th Floor  
Alexis Nihon Plaza  
1500 Atwater Avenue  
Montreal, Quebec  
H3Z 1Y2  
Tel.: 283-5725  
Toll free: 1-800-361-2831

NOTE: A change of address for the Montreal office was to take place early in 1984. However, the telephone numbers remain valid.

**Toronto**

10th Floor  
Arthur Meighen Building  
25 St. Clair Avenue East  
Toronto, Ontario  
M4T 1M2  
Tel.: 966-6586  
Toll free: 1-800-268-1151

NOTE: Except in the Toronto local dialing area, the Toronto toll-free number should be used for service throughout Ontario.

### **Ottawa**

Central Inquiries  
Lobby, R.H. Coats Building  
Ottawa, Canada  
K1A 0T6  
Tel.: 992-4734

### **Sturgeon Falls**

Civic Administration Centre  
225 Holditch Street  
Sturgeon Falls, Ontario  
P0H 2G0  
Tel.: 753-4888

### **Winnipeg**

6th Floor  
General Post Office  
266 Graham Avenue  
Winnipeg, Manitoba  
R3C 0K4  
Tel.: 949-4020  
Toll free: 1-800-282-8006

### **Regina**

5th Floor  
530 Midtown Centre  
Regina, Saskatchewan  
S4P 2B6  
Tel.: 359-5405  
Toll free: 1(112)-800-667-3524

### **Edmonton**

2nd Floor  
11010 - 101 Street  
Edmonton, Alberta  
T5H 4C5  
Tel.: 420-3027  
Toll free: 1-800-222-6400



## **Northwest Territories**

Tel.: Zenith 22015

## **Vancouver**

Main Floor

1145 Robson Street

Vancouver, British Columbia

V6E 3W8

Tel.: 666-3691

Toll free:

South and Central B.C.: 112-800-663-1551

Northern B.C. and Yukon: Zenith 08913

## **BOSS can help**

Do you want to identify Canadian companies from which you could be buying machinery, equipment, parts or supplies?

Do you want to ensure that potential Canadian customers can easily find out that you make the products they want? Would you like your company name to come to mind when buyers anywhere in the world are considering Canadian firms to supply their needs?

**BOSS (Business Opportunities Sourcing System)** has the answers. It is a computer system containing information on some 14,000 companies and the products they make in Canada. Most of the firms in the system are manufacturers, but service firms are being added.

Listing of firms in BOSS is free and voluntary. Simply get in touch with your nearest DRIE regional office (addresses listed on page 19) or your provincial department of industry and ask for a BOSS questionnaire.

To get information *from* BOSS — such as identifying Canadian sources for goods you use — call the nearest DRIE regional office.

## Advice when you want it

At one point or another, you may wish to discuss your business problems and potential with an experienced and knowledgeable person.

The Federal Business Development Bank offers management counselling through a program called **CASE (Counselling Assistance to Small Enterprises)**. This program is offered at nominal cost to owners and managers of small businesses. Under it, more than 1,500 retired business people with proven records of success are available in many different fields of specialization to discuss your particular problems and look into your needs.

The FBDB also provides management training to small business. The bank conducts full-day and half-day management seminars, and works with industrial associations and other organizations to prepare seminars for specific industries. It also provides 30-hour courses on small business management for adult education programs, which are then made available to the public through community colleges in each province. In addition, FBDB provides management clinics. A management clinic is a 15 to 20-minute videotape presentation available in any FBDB branch on a specific small business management topic. It is accompanied by a workbook on the same topic, which can be completed at the participant's leisure. (See FBDB addresses on page 4).

**Design Canada** offers programs and services aimed at managers/owners of small and medium-sized businesses to increase the competitive position of Canadian industry by improving the design of its products.

For more information, contact:

Design Canada  
Regional Industrial Expansion  
235 Queen Street  
Ottawa, Canada  
K1A 0H5  
Tel.: (613) 992-4494

In Ottawa the Department of Regional Industrial Expansion operates the **Business Centre**. It provides the business community with general information and guidance on DRIE programs and other available assistance.

However, because the reorganized department is also decentralized, regional offices of DRIE are responsible for implementing programs. They are able to supply more specific information, publications and advice through regional **Business Information Centres**.

You can call the regional Business Information Centre in your province toll free by dialing "0" and asking the operator for Zenith 03200.

The Business Information Centres may also be reached through the following regional offices of the Department of Regional Industrial Expansion:

### **Newfoundland**

Parsons Building  
90 O'Leary Avenue  
P.O.Box 8950  
St. John's, Newfoundland  
A1B 3R9  
Tel.: (709) 772-4884

### **Prince Edward Island**

Confederation Court Mall  
134 Kent Street  
P.O. Box 1115  
Charlottetown, Prince Edward Island  
C1A 7M8  
Tel.: (902) 566-7400

### **Nova Scotia**

1496 Lower Water Street  
P.O. Box 940, Station M  
Halifax, Nova Scotia  
B3J 2V9  
Tel.: (902) 426-2018



**New Brunswick**

Assumption Place  
770 Main Street  
P.O. Box 1210  
Moncton, New Brunswick  
E1C 8P9  
Tel.: (506) 388-6400

**Québec**

Tour de la Bourse  
800, place Victoria, suite 3709  
C.P. 247  
Montréal, Québec  
H4Z 1E8  
Tel.: (514) 283-7907

**Ontario**

1 First Canadian Place  
Suite 4840  
P.O. Box 98  
Toronto, Ontario  
M5X 1B1  
Tel.: (416) 369-4941

**Manitoba**

400-3 Lakeview Square  
185 Carlton Street  
P.O. Box 981  
Winnipeg, Manitoba  
R3C 2V2  
Tel.: (204) 949-4090

**Saskatchewan**

Bessborough Tower  
8th Floor  
601 Spadina Crescent East  
Saskatoon, Saskatchewan  
S7K 3G8  
Tel.: (306) 665-4400

**Alberta**

Suite 505  
Cornerpoint Building  
10179 - 105 Street  
Edmonton, Alberta  
T5J 3S3  
Tel.: (403) 420-2944

**British Columbia**

Room 1101  
Bentall Centre, Tower Four  
1055 Dunsmuir Street  
P.O. Box 49178  
Bentall Postal Station  
Vancouver, British Columbia  
V7X 1K8  
Tel.: (604) 666-1434

**Northwest Territories**

P.O. Bag 6100  
Yellowknife, Northwest Territories  
X1A 1C0  
Tel.: (403) 873-6227

**Yukon**

301-108 Lambert Street  
Whitehorse, Yukon  
Y1A 1Z2  
Tel.: (403) 668-4655

In Ottawa, the Business Centre is located at the following address:

The Business Centre  
Regional Industrial Expansion  
235 Queen Street  
Ottawa, Canada  
K1A 0H5  
Tel.: (613) 995-5771

# As you develop

## Branching out

The Federal Business Development Bank and the *Small Businesses Loans Act*, both covered in the section **Getting started**, can also provide financing at other stages in the life of a small business, including expansion and development. There are other programs, as well, that can help an expanding business.

If you are considering a product development or a business expansion but cannot handle it on your own, and private-sector resources are not available or not adequate, the **Industrial and Regional Development Program (IRDP)** may be able to help.





The regional emphasis of DRIE's operations and enriched funding for disadvantaged areas benefits all businesses, whether large, medium or small. Small businesses benefit from new elements in the IRDP. For the first time so far as traditional clients are concerned, an "individual" entrepreneur is able to apply for start-up assistance. Under the innovation, establishment, and modernization/expansion elements of the program, small businesses in manufacturing, processing and tourism are able to seek help in locating venture capital. In addition, support is available to small and medium-sized businesses for projects to develop new or improved products or processes that are economically viable. For more information, contact the DRIE regional office in your province, listed on page 19.

## **Selling abroad**

Through the **Department of External Affairs** the federal government offers a variety of programs and services to assist Canadian businesses to establish or expand markets abroad and become internationally competitive. Advice and financial assistance are geared mainly to the export goals and requirements of Canada's agricultural, manufacturing and service industries.

Canadian embassies, consulates and trade offices abroad strive to promote Canadian exports and to protect Canadian commercial interests. As well, they can provide you with information on a country's economy, markets and credit system. In 1983 the service's network of more than 100 offices in countries all over the world responded to export inquiries and received thousands of Canadian visitors.

The Department of External Affairs maintains 10 **international bureaux** for trade purposes: Africa, Middle East, East Asia, Pacific, South and Southeast Asia, European Northern and Southern Tier Countries, European Summit Countries and the European Community,

U.S.S.R. and Eastern Europe, Central America and Caribbean, and the United States.

Each maintains a close working relationship with the Trade Commissioner Service. They are the central contact points in Canada's trade and economic relations with other countries and can provide you with up-to-date information on access problems affecting the importation of Canadian products and services to specific areas.

The department's **International Trade Data Bank (ITDB)** provides information on the imports and exports of 66 major trading nations, plus the nine member countries of the European Economic Community (EEC) and those of the Organization for Economic Co-operation and Development (OECD).

The data bank is a valuable tool to help identify products and market areas for Canadian exports. Information provided by the ITDB can provide the basis for the initial step in export planning.

In addition to the services described, the department operates two major programs to help Canadian enterprises sell in foreign markets.

The **Promotional Projects Program (PPP)**, with a budget of \$10.6 million for 1983/84, sponsors Canadian participation in trade fairs abroad, organizes trade missions to other countries and arranges visits of foreign buyers to examine Canadian products and industrial capabilities. PPP's help, for example, could include designing and arranging an exhibition that displays your product or service to best advantage.

Should you wish to undertake export marketing activities but cannot do so without the federal government's assistance, you may qualify for help under the department's **Program for Export Market Development (PEMD)** and **PEMD-Food**. With a 1983/84 budget of \$22 million, PEMD is designed to encourage and assist Canadian companies to penetrate or expand foreign markets through financial contributions where your related activities would be undertaken on a shared-risk basis. Contributions are repayable if worthwhile export sales are

realized; they are not repayable if sales or contracts are not obtained.

In addition to the programs described in this section you will benefit from tariff protection in some areas of the Commonwealth and from Canada's trade agreements with many other countries outside the Commonwealth.

Business people anywhere in Canada may obtain complete information on export trade matters by contacting the department's **Trade Information Centre** in Ottawa, where trade officers are able to respond to questions about any aspect of the federal government's export trade policies and assistance programs. For more information, contact:

Trade Information Centre  
Department of External Affairs  
Lester B. Pearson Building  
125 Sussex Drive  
Ottawa, Canada  
K1A 0G2  
Tel.: (613) 593-6435  
Toll free: 1-800-267-8376

Two Crown corporations are also active in this field. The **Export Development Corporation (EDC)** offers financing, insurance, and guarantee services to promote and develop Canada's export trade.

Export financing services are provided to foreign buyers of Canadian goods and services, including capital goods, quasi-capital goods and intermediate goods. Transactions requiring medium to long-term financing and providing benefits to Canada will be considered. Five services are offered: loans, multiple disbursement agreement loans, allocations under lines of credit, loan guarantees, and the note purchase program, which consists of three separate facilities — *forfaiting*, simplified note purchase, and note purchases.

EDC's credit insurance services cover Canadian firms of any size that wish to insure their export sales against

non-payment by foreign buyers. EDC normally assumes 90 per cent of the commercial and political risks. Other types of EDC insurance are also available: loan pre-disbursement insurance, foreign investment insurance, performance security insurance, consortium insurance, and surety bond insurance.

Guarantees are available to banks and other financial institutions that make export loans, provide supplier credits, or issue performance or bid securities.

EDC is also administering a **Special Recovery Export Financing Fund**, to which \$180 million has been committed for the period 1983-87. The purpose is to encourage small and medium-sized businesses to make their first ventures into export markets, and to help established exporters expand into new markets.

For more information, contact the Export Development Corporation head office in Ottawa, or any of its regional offices. Addresses are as follows:

### **Head Office**

110 O'Connor Street  
Ottawa, Canada

Mailing address:

Box 655  
Ottawa, Canada  
K1P 5T9

Tel.: (613) 237-2570

### **Western region**

Assistant Vice-President, Western region  
Suite 1030, One Bentall Centre  
505 Burrard Street  
Vancouver, British Columbia  
V7X 1M5  
Tel.: (604) 688-8658



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The **Canadian Commercial Corporation (CCC)** serves as prime contractor in government-to-government transactions, facilitating the purchase of goods and services from Canadian suppliers by foreign governments, their agencies and international organizations.

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Canadian Commercial Corporation  
Head Office  
17th Floor  
112 Kent Street  
Ottawa, Canada  
K1A 1E9  
Tel.: (613) 996-0034

# Small business and the tax system

Changing economic conditions in Canada create both problems and opportunities. As part of the government's overall program to meet the challenge and to strengthen the country's economic base, the Canadian tax system encourages the creation of new businesses and the growth of small business.

Over the past 10 years, there have been a number of changes in the tax system aimed at supporting small business, the most recent introduced in the federal budget of 1983.

For more than 10 years small businesses have been paying federal taxes at a much lower rate than have larger concerns. In 1981 the rate was reduced even further, so that some small firms pay taxes at 15 per cent compared to 36 per cent for larger businesses.

Small manufacturers pay even less, at a rate of 10 per cent, and it is estimated that this reduces their payments by roughly \$1.3 billion a year, enhancing cash flow and stimulating investment and growth. Small manufacturers with sales of less than \$50,000 a year pay no federal sales tax.

The federal budget of 1983 proposed measures that allow small business to carry back losses for three years rather than one, and forward for seven years rather than five, thereby reducing taxable income for the year to which losses are applied. There is provision also for cash refunds of taxes already paid when losses are carried back to a previous year.

Another program is the **Investment Tax Credit**, which business people can use to reduce the cost of investing in plant and equipment. The 1983 budget proposed to extend the credit so it can be used to reduce taxes pay-

able without limit. It also provided that credits on new investment may now be carried back for two years in 1983, and three years from 1984 on, and may be carried forward seven years instead of five.

Small businesses that have insufficient federal tax payable to take full advantage of tax credits can receive a direct cash refund of 40 per cent of the unused tax credit. This measure, also introduced in the 1983 budget, applies to credits earned between April 20, 1983, and April 30, 1986. It was estimated that for 1983 alone, these changes would increase business cash flow by \$355 million.

Other measures of special interest to the small business community include tax credits and cash refunds for research and development, and provision for companies to transfer tax credits to individuals who purchase common shares.

As well, the system permits tax deductions for investment losses, deferred payment of taxes for employees who receive stock option benefits, tax deductions for salaries paid to spouses of owners and shareholders and a deferral of capital gains tax when shares of a small business are transferred to the next generation of a family.

Business owner/managers are advised to consult their accountants about taking advantage of the many benefits available, or to contact the nearest office of **Revenue Canada Taxation**.

## **Farming and fishing**

Agriculture and the fisheries are big business in Canada, but both are industries that involve large numbers of small operations. As such, many of these enterprises qualify for benefits under federal programs and services geared to assist small business.

As well, there are special programs designed to help Canadians engaged in these basic industries.

For example, the federal **Farm Credit Corporation Canada (FCC)** offers long-term mortgage credit to farm-



ers and those who wish to establish farms. For additional information, consult the Farm Credit Corporation office nearest you, or write:

Farm Credit Corporation Canada  
P.O. Box 2314, Station D  
Ottawa, Canada  
K1P 6J9  
Tel.: (613) 996-6606

Assistance to farmers is also available under the *Farm Improvement Loans Act*, administered by **Agriculture Canada**. For more information, check with your nearest Agriculture Canada office or write:

Farm Improvement Loans Act Administration  
Agriculture Canada  
Ottawa, Canada  
K1A 0C5  
Tel.: (819) 994-0086

For both farming and fishing enterprises, the 1983 federal budget permits operators to reduce their tax payments by carrying their losses back for three years, and forward for 10 years.

Of special interest to fishermen, the Government of Canada administers the **Fisheries Improvement Loans**, to assist those who wish to purchase new vessels or improve boats they already own.

For information on loans and other programs designed to aid the fishing industry, consult the nearest office of the **Department of Fisheries and Oceans**, or write:

Communications Directorate  
Fisheries and Oceans  
7th Floor West  
240 Sparks Street  
Ottawa, Canada  
K1A 0E6  
Tel.: (613) 995-2041

# Provincial governments and small businesses

Provincial governments also offer a variety of services that can help the small business. Following is a list of provincial agencies and addresses.

## **British Columbia**

Ministry of Industry and  
Small Business Development  
Suite 315, Robson Square  
800 Hornby Street  
Vancouver, British Columbia  
V6Z 2C5  
Tel.: (604) 689-4411

## **Alberta**

Department of Tourism and Small Business  
15th Floor, Capitol Square  
10065 Jasper Avenue  
Edmonton, Alberta  
T5J 0H4  
Tel.: (403) 427-3685

5th Floor  
999, 8th Street S.W.  
Calgary, Alberta  
T2R 1J5  
Tel.: (403) 261-6284

## **Saskatchewan**

Saskatchewan Industry and Commerce  
Regional Services Branch  
3rd Floor  
Saskatchewan Power Building  
2121 Saskatchewan Drive  
Regina, Saskatchewan  
S4P 3V7  
Tel.: (306) 565-2213

## **Manitoba**

Winnipeg Enterprise Development Centre  
Economic Development and Tourism  
(Small Business Centre)  
1329 Niakwa Road  
Winnipeg, Manitoba  
R2J 3T4  
Tel.: (204) 944-7738

## **Ontario**

Ministry of Industry and Trade  
Small Business Development Branch  
7th Floor  
900 Bay Street  
Toronto, Ontario  
M7A 2E1  
Tel.: (416) 965-5494  
(Ottawa) (613) 566-3703

## **Quebec**

Ministère de l'Industrie, Commerce et  
du Tourisme  
710 Place d'Youville  
Quebec, Quebec  
G1R 4Y4  
Tel.: (418) 643-5070  
  
1 Place Ville Marie  
Montreal, Quebec  
H3B 3M6  
Tel.: (514) 873-3548

740 Galt Street W.  
Office 303  
Sherbrooke, Quebec  
Tel.: (819) 565-0205

### **New Brunswick**

Department of Commerce and Development  
P.O. Box 6000  
Room 475  
Centennial Building  
King Street  
Fredericton, New Brunswick  
E3B 5H1  
Tel.: (506) 453-2875 or 453-3608

### **Nova Scotia**

Department of Development  
P.O. Box 519  
5151 George Street  
Halifax, Nova Scotia  
B3J 2R7  
Tel.: (902) 424-3973

### **Prince Edward Island**

Department of Tourism, Industry and Energy  
Business Development Division  
P.O. Box 2000, Kent Place  
180 Kent Street  
Charlottetown, Prince Edward Island  
C1A 7N8  
Tel.: (902) 892-0351

### **Newfoundland**

Department of Development  
P.O. Box 4750  
5th Floor  
Confederation Building  
Atlantic Place, Water Street  
St. John's, Newfoundland  
A1C 5T7  
Tel.: (709) 737-2781 or 737-2465





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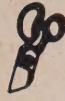
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